

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6915

BILL NUMBER: SB 307

NOTE PREPARED: Jan 4, 2005

BILL AMENDED:

SUBJECT: State Employee Health Incentives.

FIRST AUTHOR: Sen. Simpson

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the state to provide a financial incentive and allow state employees to participate in a heart health program of the State Department of Health.

Effective Date: July 1, 2006.

Explanation of State Expenditures: This bill requires the state to, before July 1, 2007, allow all state employees to participate in a heart health program. The program must include: evaluation of a state employee's cardiovascular and pulmonary health, personal fitness, and high risk behaviors; identification of state employees who are at high risk for cardiovascular or pulmonary disease; referral of a state employee who is identified as high risk; provision of cardiovascular and pulmonary health education and programs; and encouragement and monitoring of a state employee's progress.

Expenditures for the program would be largely dependent on the number of persons choosing to participate and on administrative action.

Premium Reduction: The bill requires the state to annually provide to a state employee who participates in and achieves the goals developed for the state employee under the heart health program a \$100 reduction in the state employee's share of the premium for the state employee's coverage under a health benefit plan.

As of August 2005, there were 13,493 single persons and 21,872 families participating in a state health insurance plan. This totals to 35,365. The number of persons that would choose to participate in the heart health program and who would achieve the goals developed for them under the program are unknown. The table

below presents information showing revenue loss for the state depending on percentage of single and family participants eligible for the \$100 deduction on their health care premium.

Percentage of Single/Family Persons Participating	Number of Single/Family Persons Participating	Revenue Loss (\$100 per Single/Family Participant)
10%	3,537	\$353,650
20%	7,073	\$707,300
40%	14,146	\$1,414,600
60%	21,219	\$2,121,900
80%	29,092	\$2,909,200
100%	35,365	\$3,536,500

Background Information: There are many states which have wellness programs providing various services. Of those identified, all appear to be more extensive than the program being proposed under the bill. The state of Tennessee reports that it costs approximately \$50-\$75 per person to conduct a health screening. This includes administrative costs, and height, weight, blood pressure, and chemistry. These figures are based on services provided through competitive bid.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: All state agencies.

Local Agencies Affected:

Information Sources: Regina Ranish, State of Tennessee; Keith Beesley, State Department of Personnel.

Fiscal Analyst: Sarah Brooks, 317-232-9559.